

STATE OF MAINE  
PUBLIC UTILITIES COMMISSION

April 9, 2002

Joint Application for the Merger  
of the Boothbay Harbor Water System  
and the East Boothbay Water District Into  
the Boothbay Region Water District,  
Docket No. 2001-851

**STIPULATION**

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The Boothbay Harbor Water System, the East Boothbay Water District and the Boothbay Region Water District (“the Applicants”) and the Office of the Public Advocate (collectively “the Parties”) hereby agree and stipulate as follows:

**I. PURPOSE**

The purpose of this Stipulation is to settle all issues in Docket No. 2001-851, to avoid a hearing on those issues resolved by this Stipulation and to expedite the Commission’s consideration and resolution of these proceedings. The provisions agreed to in this Stipulation have been reached as a result of discussion among the Parties and the Commission’s Advisory Staff in this case.

**II. BACKGROUND**

On December 10, 2001, the Applicants jointly filed an application (“Joint Application”) for various Commission approvals that would allow the Boothbay Harbor Water System (“BHWS”) and the East Boothbay Water District (“EBWD”) to consolidate and provide service through the newly formed Boothbay Region Water District (“BRWD”). Specifically, the Joint Application requested Commission approval for the transfer of the assets of the BHWS and the EBWD to the BRWD, the commencement of service by the BRWD under a uniform set of rate schedules throughout the service areas of the BHWS and the EBWD, the abandonment of service by the BHWS and the EBWD upon the commencement of service by the BRWD and any

other approvals and authorizations that are otherwise necessary to carry out the transfer and acquisition and authority to serve. This set of transactions was referred to as the “merger” in the Joint Application. The Joint Application also included the proposed initial schedule of rates and Terms and Conditions for the BRWD, with an effective date of January 2, 2002.

After review of the Joint Application by the Staff and communications between the Staff and representatives of the Applicants, additional information requested by the Staff was filed on December 27, 2001 and February 7, 2002 and revised Terms and Conditions were filed on January 23, 2002.

The Office of the Public Advocate (“OPA”) filed a Petition to Intervene in this proceeding on February 1, 2002. The Staff, the OPA and representatives of the Applicants held a meeting on February 8, 2002 to explore options for resolving all issues in this case. During the February 8<sup>th</sup> meeting, the Staff requested additional information and documentation it needed to complete its evaluation of the Joint Application and the Applicants agreed to provide the requested information. In addition, the Applicants agreed to hold a public meeting to explain the proposed rate schedules of the BRWD. The Applicants further agreed to give public notice of the meeting and to provide specific notice of the meeting to commercial customers who would experience a rate increase as a result of the BRWD’s proposed rates.

The Applicants provided the above-described notice and held a public meeting on February 20, 2002. On February 21, 2002, the Applicants submitted a letter to Staff describing how the Applicants notified customers about the public meeting and summarizing the customer reaction that was expressed at the meeting.

By letter dated February 27, 2002, the Staff identified additional information and documentation it needed to evaluate the Applicants’ Joint Application. By letter dated March 13, 2002, the Applicants filed with the Commission responses to Staff’s February 27<sup>th</sup> information request (some of which information had been provided to the Staff a few days earlier). The Applicants’ March 13<sup>th</sup> letter also included additional information

about the February 20<sup>th</sup> public meeting and the Applicants' efforts to satisfy customer concerns raised at, and subsequent to, that meeting.

On March 15, 2002, Staff sent a letter to the Applicants responding to the Applicants' March 13<sup>th</sup> letter and requesting additional information. Responses to the information requested in Staff's March 15<sup>th</sup> letter were filed on March 19, 20 and 28, 2002. After the Applicants' receipt of Staff's March 15<sup>th</sup> letter, the Parties and Staff engaged in settlement discussions that resulted in the agreements and compromises that are contained in this Stipulation

### **III. STIPULATION PROVISIONS**

The Parties agree and recommend that the Commission order as follows:

- A. Merger Approvals Granted. The Parties agree that the proposed merger is in the public interest and offers a variety of benefits to the customers of, and the communities presently served by, the EBWD and the BHWS. The Parties therefore recommend that the Commission grant the following approvals and authorizations:
1. Authorization for the BHWS and the EBWD to transfer their assets to the BRWD pursuant to 35-A MRSA, §1101;
  2. Authorization for the BRWD to acquire the assets of the BHWS and the EBWD;
  3. Authorization for the BHWS and the EBWD to discontinue service in their respective service territories upon the transfer of their assets to the BRWD and the commencement of service by the BRWD, pursuant to 35-A MRSA, §1104.
  4. Authorization for the BRWD to provide service to the public in the current

service territories of the EBWD and BRWD upon the transfer of the assets of the BHWS and the EBWD to the BRWD; and

5. Any other approvals or authorizations that are otherwise necessary for the requested transfer and acquisition of assets and authority to serve.
- B. Schedule of Rates for the East Boothbay Water District. The Parties agree that the revised rate schedules for the EBWD, bearing the Issued Date of April 9, 2002 and the Proposed Effective Date of January 2, 2002 and attached as Exhibit 1 to this Stipulation, should be approved and take effect on January 2, 2002.
- C. Schedule of Rates for the Boothbay Harbor Water System. The Parties agree that the revised rate schedules for the BHWS, bearing the Issued Date of April 9, 2002 and the Proposed Effective Date of January 2, 2002 and attached as Exhibit 2 to this Stipulation, should be approved and take effect on January 2, 2002.
- D. Schedule of Rates and Terms and Conditions for the Boothbay Region Water District. The Parties agree that the rate Sheet Nos. 1, 2, 3 and 4 for the BRWD, bearing the Issued Date of December 1, 2001 and attached as Exhibit 3 to this Stipulation, should be approved and take effect at the time the BRWD acquires the assets of the EBWD and the BHWS and commences service. The Parties agree that the rate Sheet No. 1-A for the BRWD, bearing the Issued Date of April 9, 2002 and attached as Exhibit 4 to this Stipulation, should be approved and take effect at the time the BRWD acquires the assets of the EBWD and the BHWS and commences service. The Parties further agree that the Terms and Conditions for the BRWD, bearing the Proposed Effective Date of January 2, 2002 and attached as Exhibit 5 to this Stipulation, should be approved and take effect at the time the BRWD acquires the assets of the EBWD and BHWS and commences service.
- E. Notice of Closing. The Applicants agree to provide written notice to the Commission within 7 days of the date of the formal completion of the transfer of assets from the BHWS and the EBWD to the BRWD. The Parties agree that upon

formal completion of the transfer of assets, the BHWS and the EBWD will abandon service, the rate schedules and Terms and Conditions for the BRWD attached as Exhibits 3, 4 and 5 shall take effect and the BRWD will commence service. With the notice required by this provision, and in compliance with the Order approving this Stipulation, the Applicants will file the rate schedules and Terms and Conditions attached as Exhibits 3, 4 and 5 listing the closing date as the Proposed Effective Date on each page. The Parties agree that the Commission's Administrative Director should be delegated authority to stamp the proper Effective Date on these rate schedules and Terms and Conditions and return stamped copies to the BRWD.

- F. Staff Presentation of Stipulation. The Parties hereby waive any rights that they have under 5 M.R.S.A. §9055 and related Commission Rules to the extent necessary to allow the Advisory Staff to discuss this Stipulation and the resolution of this case with the Commission, without the participation of any Party.
- G. Record. The record on which the Commission may base its determination whether to accept and approve this Stipulation shall consist of this Stipulation, the Applicants' initial filing, the Applicants' supplemental filing, the Staff's letters requesting information from the Applicants and all documents filed by the Applicants in responses to information requests from the Staff.
- H. Non-Precedential Effect. Except where it may be expressly noted herein, the Stipulation shall not be considered legal precedent, nor shall it preclude a party from raising any issues in any future proceeding or investigation on similar matters subsequent to this proceeding.
- I. Stipulation as Integral Document. This Stipulation represents the full agreement among all parties to the Stipulation and rejection of any part of the Stipulation constitutes rejection of the whole.

BOOTHBAY REGION WATER  
DISTRICT

By: \_\_\_\_\_  
Its: \_\_\_\_\_ Date

EAST BOOTHBAY WATER DISTRICT

By: \_\_\_\_\_  
Its: \_\_\_\_\_ Date

BOOTHBAY HARBOR WATER SYSTEM

By: \_\_\_\_\_  
Its: \_\_\_\_\_ Date

OFFICE OF THE PUBLIC ADVOCATE

By: \_\_\_\_\_  
Its: \_\_\_\_\_ Date